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# **Income Policy**

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## **1.0 ESFA GAG Income**

- 1.1 The main source of income for the Diocese of Hereford Multi-Academy Trust (Trust) are the grants from the Education and Skills Funding Agency (ESFA). The receipt of these sums is monitored by the Trust's Head of Finance and Resources for the Trust as a whole and the School Business Manager (SBM)/Finance Lead in each academy, who is responsible for ensuring that all grants due to the school are correct.
- 1.2 ESFA General Annual Grant (GAG) income is received by the Trust and is paid into the main Trust bank account.

## **2.0 Other grants**

- 2.1 The receipt of these sums is monitored by the Central Finance Team, who are responsible for ensuring that all grants due to the academy are correct.
- 2.2 In addition to GAG funding from ESFA, the Trust may be awarded specific funding for other projects, e.g., School Condition Allocation, MAT Development Grants, etc.; this funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally, on an annual basis.
- 2.3 The Central Finance Team is responsible for recording the income and expenditure for each grant, which will then be shown within the monthly management accounts for each academy

## **3.0 Funds held by the Trust**

- 3.1 Where funds are held by the Trust, the Central Finance Team is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the Trust memorandum and articles.

## **4.0 Trips**

- 4.1 A member of the staff must be appointed for each trip, to take responsibility for the collection of sums due. Office staff must prepare a record for each student intending to go on the trip, showing the amount due. A copy of the record must be given to the SBM/Finance Lead.
- 4.2 Students/parents should make payments to the school or through an electronic collection system. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the pupil making the payment.

- 4.3 The school office should maintain an up to date record for each student, showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a weekly basis, and the admin member of staff who is responsible for chasing the outstanding amounts.
- 4.4 Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. Any surplus greater than £10 per pupil is redistributed to parents, (unless the academy has agreed with the Parent Association) that surpluses may be retained. If the academy decides to subsidise the trip, the amount of the subsidy must be approved by the Headteacher, in advance of the booking being made; this must be in accordance with the approved budget.
- 5.0 Catering (if cash payments at the school)**
- 5.1 Cash payments must be reconciled on a daily basis, by a member of the academy office team (not the person involved in cash collection) to the lunch records and signed as evidence of reconciliation. The school meal numbers and cash totals are then to be entered onto a weekly balancing sheet. The cash is kept in the safe, prior to weekly banking. The SBM/Finance Lead must reconcile the weekly banking sheet to actual receipt banked.
- 6.0 Catering (if electronic cash collection at the school)**
- 6.1 The bank credits are reconciled to the system reports in the first instance (on a weekly or fortnightly basis depending on how frequently income is received). Monthly checks are undertaken by the SBM/Finance Lead, and cross referenced to a sample of individual pupils.
- 7.0 Lettings**
- 7.1 The academy is responsible for maintaining records of bookings of sports facilities/rooms etc. and for identifying the sums due from each organisation. Payments must be made in advance for use of the facilities, unless lettings are long-term bookings where regular invoicing is undertaken. Invoicing and cash collection should be dealt with by the SBM/Finance Lead and the individual who is not responsible for making bookings. If the academy is unable to adhere to this requirement (due to low administrative staff numbers), written approval from the Trust Head of Finance and Resources will be required. In such instances, the Trust Head of Finance and Resources should consider whether additional monitoring controls are necessary in order to mitigate risk.
- 7.2 Details of organisations using the academy's facilities will be held by the SBM/Finance Lead, who will establish a sales ledger account and produce a sales invoice from PS Financials.

7.3 Copies of the organisation's up to date relevant public liability indemnity insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor, etc.) are kept with the letting agreements, and are reviewed at least annually.

7.4 All documents should be retained for 6 years and then destroyed securely.

## **8.0 Nursery**

8.1 The academy is responsible for maintaining records of the children attending the nursery. Invoicing and cash collection should be dealt with by the SBM/Finance. Invoices should be issued prior to start of the half term based on proposed attendance. If the academy is unable to adhere to this requirement (due to low administrative staff numbers), written approval from the Trust Head of Finance and Resources will be required. In such instances, the Trust Head of Finance and Resources should consider whether additional monitoring controls are necessary in order to mitigate risk.

## **9.0 Sundry Income**

9.1 Income from other sources (for example educational consultancy) is priced in consultation with the academy's Headteacher (who must authorise the fees). The transaction must not be undertaken until the price has been agreed and the customer has been assessed for ability to pay. The Trust standard terms of business are for payment within 30 days of the invoice date. Any deviation from these must be authorised by the Trust's Head of Finance and Resources.

## **10.0 Gift Aid**

10.1 An Academy Trust is able to claim gift aid (<https://www.gov.uk/claim-gift-aidoverview> ) on donations from individuals.

10.2 To ensure the Trust, in its position as an exempt charity, receives all the monies it is entitled to, the Central Finance Team:

- Reconciles income against records, to confirm expected amounts have been received by the donor;
- Ensures the tax reclaimable from HMRC has been obtained and any relevant business use deduction has been made.